

RECORDATION NO. 21273 FILED

MAR 13 '98

12-20 PM

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RECORDATION NO. 21273-A, B, C FILED

MAR 13 '98

12-20 PM

March 13, 1998

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Re: New Jersey Transit Corporation
(1998-FT-2)

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Memorandum of Lease Agreement, dated as of March 13, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents, and two (2) copies of each of the following secondary documents related thereto: Memorandum of Sublease Agreement, Memorandum of Loan and Security Agreement and Memorandum of Leasehold Pledge Agreement.

The names and addresses of the parties to the enclosed documents are:

Lease Agreement

Head Lessor: New Jersey Transit Corporation
One Penn Plaza
Newark, New Jersey 07105

Head Lessee: Wilmington Trust Company, as Trustee
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890

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Sublease Agreement

Lessor: Wilmington Trust Company, as Trustee
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890

Lessee: New Jersey Transit Corporation
One Penn Plaza
Newark, New Jersey 07105

Loan and Security Agreement

Trustee: Wilmington Trust Company, as Trustee
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890

Secured Party: AIG-FP Funding (Cayman) Limited
c/o Maples & Calder
PO Box 309
Grand Cayman, Cayman Islands BWI

Leasehold Pledge Agreement

C →

Pledgor: New Jersey Transit Corporation
One Penn Plaza
Newark, New Jersey 07105

Pledgee: Wilmington Trust Company, as Trustee
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890

A description of the railroad equipment covered by the enclosed documents is set forth on Exhibit A attached to the Memoranda.

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Also enclosed is a check in the amount of \$96.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of each of the enclosed documents to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/bg
Enclosures

**MEMORANDUM OF LEASEHOLD PLEDGE AGREEMENT
(1998 - FT 2)**

Memorandum of Leasehold Pledge Agreement (1998 - FT 2), made and entered into on March 13, 1998 by and between New Jersey Transit Corporation ("Pledgor"), and Wilmington Trust Company, not in its individual capacity, but solely as Trustee, ("Pledgee").

WITNESSETH:

The undersigned have entered into that certain Leasehold Pledge Agreement (1998 - FT 2) (the "Pledge Agreement"), dated March 13, 1998, whereby the Pledgor has agreed to pledge to the Pledgee as collateral security its leasehold in certain railroad equipment bearing serial numbers as listed on Exhibit A attached hereto in order to secure the Pledgor's performance of its obligations as described in said Pledge Agreement.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed as of the date and year first above written.

NEW JERSEY TRANSIT CORPORATION

By _____
Name:
Title:

**WILMINGTON TRUST COMPANY,
not in its individual capacity, but solely as Trustee**

By _____
Name:
Title:

NEW JERSEY TRANSIT CORPORATION

By 

Name:

Title:

STATE OF NEW JERSEY)

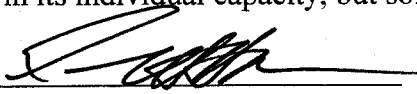
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COUNTY OF ESSEX)

On this 10th day of March, 1998 before me personally appeared H. Charles Wedel, to me personally known, who being duly sworn, says that he is the Chief Financial Officer and Treasurer of New Jersey Transit Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

WILMINGTON TRUST COMPANY,
not in its individual capacity, but solely as Trustee

By 

Name: **EMMETT R. HARMON**
Title: **VICE PRESIDENT**

COUNTY OF New Castle)

Kathleen J. Pedelini
Notary Public

KATHLEEN A. PEDELINI
NOTARY PUBLIC
My Commission expires October 31, 1998

Exhibit A

The Fifth Third Leasing Company (1998-FT 2)

	Car #	Equipment Description
1.	#1420A	Arrow III multiple unit passengers rail cars
2.	#1354A	Arrow III multiple unit passengers rail cars
3.	#1426A	Arrow III multiple unit passengers rail cars